

January 9, 1976

That would give him an opportunity for that to be nontaxable income rather than being paid the money and then pay the money for retirement. This has no impact, whatsoever, as far as financing is concerned. There is no fiscal note. All it does is give the school district the option of paying the employee's retirement instead of him taking that money in cash and he would benefit by having that as nontaxable income. It is much like the school districts do now or the state employees do now in terms of Blue Cross-Blue Shield. It is a simple bill. No financial impact. No cost to anybody.

PRESIDENT: Senator Murphy.

SENATOR MURPHY: Mr. Chairman, I read the comment at the foot of the note there indicating there was no substantial or no fiscal impact but when I read the little pink slip that goes with it, it turns out that the fiscal impact at county level reads something like 6 million dollars. Let me check. I may have the wrong bill.

PRESIDENT: Senator Dickinson.

SENATOR DICKINSON: Will Senator Lewis yield to a question, please? I know that you will consider this nit picking, Senator Lewis, but would you agree that the impact that it does have is that those taxes not paid by this particular group of people have to be made up by someone else, and they will share in that, of course, to some degree. We spend money continually. We are doing it here and at every other level of government but you are trying to exempt people from the taxes what they should probably be legitimately be paying.

SENATOR F. LEWIS: Senator Dickinson, if you feel that way, certainly we shouldn't have any fringe benefits for anybody.

SENATOR DICKINSON: I think maybe the fringe benefits should start to be taxed because this is getting to be a very, very major item in most employment negotiations and contracts.

SENATOR F. LEWIS: I will be happy to forego this exemption if we will get rid of all the other stuff. There is a 50 million dollar one coming up pretty quick.

PRESIDENT: Senator Murphy.

SENATOR MURPHY: Yes, sir, God, I am glad that got vindicated. Apparently our books this year have not been brought up with fiscal impacts but here is the little brute. It came out of last year's book and it does indicate the fiscal analyst statement that it could cost the counties up to almost six million dollars. I would call that a rather considerable fiscal impact. The word 'option' always frightens me because this year it is an option, next year it is a mandate. I think this is something that should be left to the discretion of the school boards, and if they have that discretion now, let us leave it that way.